

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom DEGREE EXAMINATION MAY 2019
(Third Semester)

Branch - **COMMERCE (FOREIGN TRADE)**

INTERNATIONAL BUSINESS ENVIRONMENT

Time Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define international business.
- 2 What is meant by socio cultural environment of a business?
- 3 Give the meaning of globalization.
- 4 Name any four commonly followed models of globalized investments.
- 5 What is the purpose of signing ASEAN agreement?
- 6 Define Economic Union.
- 7 What is an exchange rate?
- 8 What is the role of FEMA?
- 9 What do you mean by foreign exchange risk?
- 10 What are futures?

SECTION - B (25 Marks!)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Explain the nature of international business.
OR
b Write a note on legal environment.
- 12 a Highlight the methods of globalization.
OR
b Discuss on the barriers to globalization.
- 13 a Write short notes on customs union.
OR
b What are the aims of NAFTA?
- 14 a Explain fixed and flexible exchange rate system.
OR
b Who are the participants of foreign exchange systems?
- 15 a Explain forex derivatives.
OR
b What is leading and lagging? Explain.

SECTION - C (30 Marks!)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Explain the framework for analyzing international business environment.
- 17 Discuss on the essential conditions of globalization.
- 18 What is SAFTA? Explain its functions.
- 19 What are the factors determining exchange rates? Explain in detail.
- 20 How risks can be managed in foreign export markets?